

**SUMMARY OF 2011 COMMENT OPPORTUNITIES  
FOR POLICIES AND PROCEDURES OF  
ARKANSAS DEVELOPMENT FINANCE AUTHORITY  
MULTI-FAMILY HOUSING PROGRAMS, HOME  
PROGRAMS AND COMPLIANCE**

July 27, 2011 thru September 30, 2011

<b>COMMENTER</b>	<b>COMMENT</b>	<b>RESPONSE</b>
Steve Clark, S.R. Clark and Associates (Clark & Assoc.) Rick Pierce, PDC	Requests ADFA to review the per unit cost cap. Consider a tiered schedule. Consider basing it on number of bedrooms. Base it on 221D requirements.	ADFA Board and Staff's position is that current per unit cost cap is appropriate at this time.
Steve Clark, Clark & Assoc.	Reconsider use of 2-bedroom single family homes.	ADFA Board and Staff's position is that single family 3BR, 2BA houses are more marketable.
Steve Clark, Clark & Assoc.	Requests ADFA state point criteria relating to amenities and energy efficiency so developer can make decision whether or not to do it.	ADFA Board and Staff's position is that current point process allows flexibility towards points to the extent practicable.
Steve Clark, Clark & Assoc.	Requests ADFA take out of the application process alternative financing in connection with request for state tax credits.	Request adopted in the final QAP.
Steve Clark, Clark & Assoc.	Requests ADFA to look at the language in the QAP regarding providing commitment letters. Appears ADFA is violating own policy. Suggest ADFA possibly change the language.	ADFA has clarified policies on commitments letters per this comment.
Steve Clark, Clark & Assoc.	Land Acquisition—ADFA funds cannot be used for anything over the appraised value.	ADFA Board and Staff's opinion is that it would be inappropriate to acquire land at more than the appraised value.
Jim Petty, Strategic Realty Arby Smith, RichSmith Development (RichSmith) Tom Embach, Leisure Homes	Would like clarification on how the non-compliance issue will be considered on a point basis.	Clarification of this issue is included in final policies per comments.
Steve Clark, Clark & Assoc.	Market Study—ADFA should state counties in which they will not fund in the current year, or vice versa	ADFA Board and Staff's position is that it is inappropriate to restrict geographical distribution of LIHTC.

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Steve Clark, Clark & Assoc. Russell Altizer, Sunbelt Development Lee Jones, Autumn Group Jim Petty, Strategic Realty	Requests ADFA look at the requirement of the letter from the highest elected official. Suggest a “majority” of the governing body. Recommends deleting the rescission provision.	ADFA will accept letter from either highest elected official or a majority of the governing body. ADFA will modify the rescission provision.
Steve Clark, Clark & Assoc.	Revise the requirement of annual financial statements by April of the following year to 120 days after the end of the development’s fiscal year end.	ADFA will require annual financial statements with 120 days after the development’s fiscal year end.
Steve Clark, Clark & Assoc. Carr Hagan, Lawler Wood	Rental Assistance Contract—suggests “executed” contract be deleted from QAP. Suggests a letter of commitment for rental assistance.	ADFA will accept a letter of intent for rental assistance.
Steve Clark, Clark & Assoc.	Requests the abatement of real estate taxes be a letter of intent to do so instead of a commitment to do so.	ADFA will clarify language to accommodate request..
Steve Clark, Clark & Assoc. Tom Embach, Leisure Homes Jim Petty, Strategic Realty Rick Pierce, PDC	Suggests ADFA further define reason for points being taken away.	ADFA will further define reason in initial scoring letter.
Steve Clark, Clark & Assoc.	Suggests that ADFA consider accepting a Housing Authority Plan as opposed to a Community Revitalization Plan.	ADFA will not accept. The plan needs to be comprehensive and consider all aspects (i.e. transportation, commercial developments, etc.) of a community as opposed to housing alone.
Steve Clark, Clark & Assoc.	Definition of scattered sites is too restrictive.	Clarified definition of scattered sites in QAP regarding this comment.
Russ Altizer, Sunbelt Development Michael Jackson Tracy Chappal, West Arkansas Planning and Development District (WAPDD)	Would like the required distance to be greater. Would like ADFA to allow multi-jurisdictional scattered sites.	Multi-jurisdictional LIHTC developments are not feasible due to property management, income, and rents.
Steve Clark, Clark & Assoc.	Would like to know the power/authority of an ADFA inspector.	Appropriate language added to QAP on this issue.
Steve Clark, Clark & Assoc.	Would like the ADFA inspections to be available to the developer without asking.	ADFA staff will be responsible for sending out to those listed on the predevelopment conference attendance sheet as soon as an inspection is received.
Steve Clark, Clark & Assoc.	Would like ADFA not to require any more than the feds require.  ADFA’s requirements are too burdensome.	State’s responsibility to administer LIHRT dependent upon specific state conditions/needs.

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<p>Jeff Van Patten, Van Patten &amp; Co. (Van Patten) Arby Smith, RichSmith</p> <p>Tom Embach</p>	<p>In connection with 30% boost, suggested that if feds allow, ADFA should allow. Recommends ADFA spread as wide as it can. Recommends it also go toward consolidated counties.</p> <p>30% allocation formula is well conceived and should help the most “needy” developments.</p>	<p>ADFA Board and Staff’s position is that 30% boost adequately distributed as-is.</p>
<p>Tom Embach, Leisure Homes and Russ Altizer, Sunbelt Development</p>	<p>Rural developments should be given priority for 30% boost.</p>	<p>ADFA adopted change by including RD projects as eligible for 30% boost.</p>
<p>Jim Petty, Strategic Realty Keith Richardson, RichSmith Greg Kemper, Rural Development (RD) Dennis Wiles, White River Regional Housing Authority Darlene Wilson, WRRHA Tom Embach, Leisure Homes</p>	<p>Incentives should be given to areas which have not had affordable housing projects in the past few years.</p> <p>Feels this is a good change and will allow development in these areas to move forward.</p>	<p>Adopted based on counties’ prior participation in the LIHTC program during the past 3 years. Inadvisable to incentivizing based on past city participation due to limiting statewide geographical distribution.</p>
<p>Keith Richardson, RichSmith Rick Pierce, PDC Jeff Van Patten, Van Patten</p>	<p>Would like to have identity of interest redefined.</p>	<p>ADFA has addressed.</p>
<p>Tom Embach, Leisure Homes</p> <p>Agreed: Steve Clark, Clark &amp; Assoc. Keith Richardson, RichSmith Ed Wyles, WRRHDC Steve Craig, Craig Construction, and others.</p>	<p>Recommended ADFA not Adopt Version 3. Removal of the Energy Star requirements is good, as it releases an unnecessary and costly burden to the development of new LIHTC projects. Others agreed.</p>	<p>ADFA concurs.</p>
<p>Steve Craig, Craig Construction</p>	<p>Commented that Version 3 was a bad policy. When you go so tight you have add additional mechanical units to take out the humidity and bad air. Version 2.5 was logical next step. Suggested ADFA put it back to Version 2.</p>	<p>ADFA has addressed</p>
<p>Andrea Ingalsbe</p>	<p>Version 2.5 ends this year. ADFA could adopt its own program for energy rating. Contractors are not doing what the developer has agreed upon. Suggests there is a missing step. Bids don’t reflect what is required.</p>	<p>ADFA has addressed.</p>

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Rick Pierce, PDC  Annette Cowan, ASC Management (ASC)  Glynn Puryear, ASC Management (ASC)	Reserves—suggested there not be two separate reserves funded when a deal involves RD and TC. Should not have to be replenished during the compliance period. Money just sits out there. Would like the ADFA requirement to be taken out that it has to be funded when it drops below level.  Remove the guaranty requirement on reserves.	ADFA has addressed this comment/request.
Rick Pierce, PDC	Suggests ADFA not have a minimum DCR and use the investor requirement.	Prudent underwriting requires ADFA have appropriate DCR requirements.
Russ Altizer, Sunbelt Development	Commitment Letters—do not make more restrictive.	ADFA has addressed.
Russ Altizer, Sunbelt Development	Cure period is tight. Should be at least two weeks.	ADFA agrees to extend to two weeks.
Gary Arrington, ADFA	No allowance of multi-jurisdictional LIHTC use.	ADFA has addressed.
Carr Hagan, Lawler Wood	Underwrite using post rehab rents.	ADFA has addressed.
John Williamson, American Community Development Tom Embach, Leisure Homes Darlene Wilson, WRRHA	Request elimination of 1% expense increase requirement on proforma	ADFA has addressed and requires use of reasonable trending of costs.
James Adams, WRRHA Darlene Wilson, WRRHA Greg Kemper, RD Tom Embach, Leisure Homes	Requested no decrease of TBRA per application grant from \$450,000 to \$225,000	ADFA Board and Staff's position is that reduction is on a per application basis only and does not limit access to TBRA via additional TBRA applications.
Dennis Wiles, WRRHA Arby Smith, RichSmith Rick Pierce, PDC Darlene Wilson, WRRHA	Request to eliminate 5 year certification requirement for HOME certification.	ADFA has addressed.
Arby Smith, RichSmith  Tom Embach	Clarification of participation in Fair Housing Training Fair Housing Certification is an important addition to the QAP.	ADFA has addressed.
Arby Smith, RichSmith	Clarification of submission of Phase I Environmental Site Assessment.	ADFA has addressed.
Arby Smith, RichSmith	Clarification of process to submit changes to application.	ADFA has addressed.
Michael Jackson	Request for HOME assisted rental units to be available to tents at 65% AMI	ADFA's position is that 60-65% AMI market is insufficient to justify the change given that most HOME rental units are combined in LIHT developments.

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Michael Jackson	Request CHDOs be eligible to retain CHDO proceeds.	ADFA Staff's position is that existing CHDOs do not have sufficient capacity to revolve CHDO proceeds and use as required.
Michael Jackson	Request HOME funds be used for predevelopment funding for CHDOs.	ADFA Staff's position is that existing CHDOs do not have sufficient capacity to warrant provision of predevelopment funding.
Tom Embach, Leisure Homes	Request to award points for repeat program users. Request to consider compliance points for applicants who have a positive record over the years.	ADFA position is that determination of successful repeat program users would be subjective and ill advised.
Linda Cook, PDC	Request separate HOME Compliance Manual.	ADFA Staff provides HOME Compliance Manual within its HOME Program Policy Manual.
Annette Cowen, ASC Glynn Puryear, ASC	Request decreasing Minimum Design Standards, as RD are required to use the design features of the law and ADFA standards increase these requirements.	ADFA's Minimum Design Standards are to the benefit of all developments and all tenants.
Tom Embach, Leisure Homes	Consider the nature of non-compliance issues, serious health and safety issues which are far different than a missing form or verification.	ADFA has addressed.